



CITY OF HUNTINGTON BEACH
FINANCE BOARD MINUTES
WEDNESDAY, MAY 12, 2010 AT 6:00 PM
CIVIC CENTER, LOWER LEVEL, ROOM B-8

1) CALL TO ORDER: At 6:05 PM, Chair Falzon called the meeting to order.

Present: Vice Chair LoGrasso and Members: Corkett, Houston, Jones, and King

Absent: Member Garcia

Staff: Bob Wingenroth, Director of Finance and Carrie Gonzales, Administrative Assistant

Public: Council Member Devin Dwyer and Erik Peterson

2) PUBLIC COMMENTS:

This is Mr. Peterson's second meeting and reminded the Board he would be running for the City Council.

Council Member Dwyer stated he is attending this meeting to ask the Board if they would support Item 13 on the May 17 City Council agenda. The Charter Review Committee is recommending changes to Section 617 – Infrastructure Fund of the City Charter. Council Member Dwyer led a discussion on the Section 617 with the Board Members asking questions.

Member Jones made a motion to draft a recommendation from the Board to the City Council asking for their vote in favor of the recommended changes to Section 617 of the City Charter made by the Charter Review Committee, seconded by Member Houston. The motion was approved 4-0-2 (Member Garcia and King absent)

3) APPROVAL OF MEETING MINUTES:

April 14, 2010 – Vice Chair LoGrasso made a motion to approve the minutes as amended, seconded by Member Jones. The motion was approved 4-0-2. (Members Garcia and King absent)

4) STAFF REPORTS/BUSINESS ITEMS:

a) Chairman's Update

Chair Falzon did not have anything further to discuss that is not already covered on tonight's agenda.

b) Strategic Plan Updates

Bob Wingenroth discussed the upcoming items. He mentioned the presentation of the five-year financial plan scheduled for the June 7, City Council study session may be postponed. The City is offering an early retirement plan, which could change the numbers.

Bob Wingenroth mentioned that the State of California has required the City to send them \$5.3 million dollars, which would come from the Redevelopment Fund. These funds were wired to the State, under protest, on Monday, May 10. The State will take approximately \$1.1 million next year.

c) FY 2009/10 Mid-Year Finance Presentation

Bob Wingenroth led a discussion of the FY 2009/10 Mid-Year Finance presentation. The Board asked if there are any new revenues expected for the next fiscal year. Bob Wingenroth stated at the May 3 City Council meeting, the City Council approved with a vote of 4/3 to approve the Southern California Gas Company franchise agreement. With the sale of gas, the City would receive 2% for end users and 1.5% for non-end users. This new agreement will add an additional \$200,000 in revenue. It will now be sent to the Utilities Commission for approval to finalize the franchise agreement.



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d) Comprehensive Annual Financial Report (CAFR) and Popular Annual Financial Report (PAFR)

A brief discussion was held on the CAFR. The Board asked that this item be continued until the July 12 meeting for further discussion.

e) Unfunded Liabilities

The Board discussed the City's unfunded liabilities. The following items were discussed:

- It was agreed that the City has an unsustainable situation
- How quickly can the problem be fixed
- Short term actions vs. long term actions
- Two-tier employee benefits
- Defined benefit vs. defined contribution employee retirement
- Freezing benefits or employees

The Board asked that this item be continued until the July 12 meeting for further discussion.

5) OPEN/CLOSED ITEM LIST:

There were no open items to discuss.

6) COMMENTS FROM BOARD MEMBERS:

There were no comments from the Board Members.

7) INFORMATION ITEMS:

The board reviewed the CalPERS retirement booklets. A brief discussion was held on the contributions by association handout. The Board asked questions regarding this handout and staff was not able to completely answer the question. Bob Wingenroth will have the Board's answers to their questions at the June 9 Board meeting or sooner.

ADJOURNMENT:

Vice Chair LoGrasso made a motion at 9:05 PM to adjourn the meeting to Wednesday, June 9, 2010, at 6:00 PM in meeting room B-8, seconded by Member Houston. The motion was approved 4-0-2. (Members Garcia and King absent)

Respectfully submitted by:
Bob Wingenroth, Director of Finance
Secretary to the Finance Board